

MEMORANDUM FOR: Special Support Assistant DD/S
25X1A9a

7 APR 1959

ATTENTION : Mr. [REDACTED]

SUBJECT : Wasteful Practices and Property
Accounting Procedures

REFERENCE : Memorandum for Director of Logistics
and Chief, Technical Accounting
Staff, Office of the Comptroller
dated 25 February 1959 subject,
same as above.

1. Reference memorandum forwarded a copy of a memorandum to the Chief, I&R dated 15 December 1958, subject: Wasteful practices, and requested advice of action to be taken to revise the property accounting procedures in order to rectify the problem discussed in paragraphs 1, 2, 3, 5, and 6 of the memorandum to Chief, I&R.

2. The recurrence of requests for credits for property returned to stock has been recognized by this Office as one of the outstanding problems of the present Property Authorization Control Procedure. Plans are currently underway to rescind that procedure effective 1 July 1959 and prescribe a new procedure predicated on property cost limitations to be established based upon the property requirements of operating components and projects as stated in their operating cost budgets. It is contemplated that the new procedure will provide for the restoration of withdrawal authority in connection with property turn ins when certain conditions exist. Withdrawal authority cannot be restored in every instance that property is returned to stock because such action would improperly augment the overall property limitation of an office or project and would in all probability impair the procurement funding program of the Agency. Withdrawal authority will be restored when property is returned to stock (regardless of the fiscal year in which it was withdrawn from stock) and the same line items are again issued to the same element (cost center)

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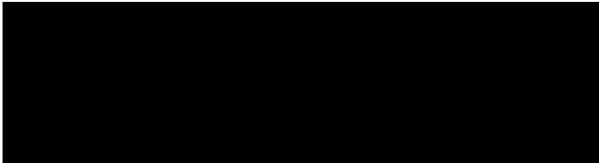
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in the fiscal year in which the turn in was made, PROVIDED, (1) the item returned was not worn out or obsolete (2) the item is still available in Office of Logistics stocks (i.e. does not require new procurement action) and (3) the budget of the activity did not provide for the issue of the item.

3. The problem referred to in paragraph 3 of the memorandum to the Chief, I&R, involving a \$25,000 motion picture camera which is not required by the SR Division may become available to other components without charge to their limitations under procedures which have been developed and approved if determined to be excess property by the Office of Logistics. Also, the Office of Training could obtain authorization for use of this equipment through normal project approval procedures if it believes the use justifiable. Otherwise, it is not considered proper to permit unlimited withdrawals of property, by any component, which would require expenditures of procurement funds for replenishments of stocks.

4. Regarding the practice of hoarding, it is felt that when the need for specific items of property ceases to exist the holding office or project should return the property to stock and not retain such property to meet contingent but uncertain future requirements.

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Chief, Technical Accounting Staff

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